

Closed Session from Special Meeting – July 12, 2004

At 3:05 p.m. the Board adjourned to joint closed session with the Asheboro City Council to discuss matters relating to the location or expansion of business in the area served by the Board and the Council, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Kemp, Frye, Davis, and Mason were present. Also present for the County were County Manager Frank Willis, County Attorney Aimee Scotton, and Clerk to the Board Alice Dawson. City Council members present were Talmadge Baker, Linda Carter, Keith Crisco, Nancy Hunter, John McGlohon, Archie Priest, David Smith, and Mayor David Jarrell. Also present for the City were City Manager John Ogburn, City Attorney Jeff Sugg, City Finance Officer Deborah Juberg, and City Clerk Carol Cole. In addition, Bonnie Renfro, Randolph County Economic Development Corporation Director, was present.

Chairman Holmes called on Ms. Renfro to make a presentation.

Ms. Renfro reported that Technimark, Inc, owned by Klaussner, is a company that makes molded plastics. The company has secured new business with existing customers that will require a capacity expansion of its facilities; they are evaluating expansion at locations near existing plants in Cumberland County and Asheboro. The company is requesting local assistance from the two NC communities in order to bring down the upfront costs. If Asheboro is selected, this project will max out the site. Therefore, the company is considering acquisition of additional land near their operations for future growth and that will provide rail access. They plan to invest significant funding in worker training in excess of what the state will provide.

The planned investment is \$36.5 million (\$1.5 million real property, \$24 million personal property, and \$11 million customer-owned personal property). The new construction would be a 31,000-square-foot facility, and 79 new jobs would be created within 24 months, plus 15-20 temporary jobs. Wages would run from \$10 per hour for operators to \$15-\$28.60 per hour for technicians and professionals.

This project would double Technimark's investment in Randolph County and increase their employment by 22%. Their management has clearly stated that they will base their decision at least in part on the opportunity to receive economic assistance. In Cumberland County they would be subject to a lower wage rate and a lower tax rate. (In Randolph they pay City and County tax; in Cumberland, they would pay only County.)

Ms. Renfro offered two economic incentive options for consideration:

Option One: \$250,000 each from the County and City, to be paid over 4 years. Based on the \$25.5 million investment, 75% completed after 3 years, the County would receive increased tax revenue of \$240,975 by the end of the 3 years; at 100% completion, the return would be \$321,300. This option does not take into account the \$11 million of customer-owned personal property mentioned earlier.

Option Two: \$315,000 each from the County and City, to be paid over 4 years. Based on the \$36.5 million investment, 75% completed after 3 years, the County would receive increased tax revenue of \$315,225 by the end of the 3 years; at 100% completion, the return would be \$420,300. This option does take into account the \$11 million of customer-owned personal property mentioned earlier.

The Board and Council discussed the two options. There was a consensus to allow Ms. Renfro to approach the company with an offer of Option Two.

On motion of Davis, seconded by Mason, the Board voted unanimously at 3:50 p.m. to end closed session and return to open session.

At 3:50 p.m. the Board and Council returned to open session.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Robert B. Davis

Robert O. Mason

Alice D. Dawson, Clerk to the Board

Approved: August 2, 2004
Unsealed: February 7, 2005